

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

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In re : Chapter 11  
: Case No. 8-03-82550  
INNAPHARMA, INC., :  
: Debtor. :  
: Judge: STAN BERNSTEIN  
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**REQUEST FOR EXPEDITED HEARING ON MOTION OF THE UNOFFICIAL  
COMMITTEE OF SHAREHOLDERS PURSUANT TO 11 U.S.C. § 1102(A)(2)  
FOR APPOINTMENT OF AN OFFICIAL COMMITTEE OF EQUITY  
SECURITY HOLDERS**

The Innapharma Shareholders' Committee, consisting of individual holders of common stock of Innapharma, Inc. (the "Debtor"), that have organized as an unofficial committee of shareholders (as such, the "Unofficial Shareholders' Committee"), hereby requests (the "Request") the Court to schedule an expedited hearing on the Motion of the Unofficial Committee of Shareholders Pursuant to 11 U.S.C. §1102(a)(2) for Appointment of an Official Committee of Equity Security Holders (the "Motion") on August 21, 2003 at 10:30 a.m. In support of this Request, the Unofficial Shareholders' Committee represents the following:

**BACKGROUND**

1. This chapter 11 case was commenced by the Debtor's filing of a voluntary petition (the "Voluntary Petition") in this Court on April 15, 2003 (the "Petition Date").

The Debtor is a drug research and development company whose assets are various patents for the anti-depression drug Nemifitide.

2. Driven in part by the Debtor's failure to provide information and/or answer critical questions regarding the Debtor's conduct and financial affairs posed by certain of its members in the months leading up to the Petition Date, the Unofficial Shareholders' Committee was compelled to organize in order to act to maximize any prospect of protecting the value of its members' equity security interests.

3. On June 27, 2003, the Official Committee of Unsecured Creditors (the "Creditors' Committee") filed a Motion (the "Creditors' Committee Motion") seeking, among other things, to appoint a chapter 11 trustee to manage the Debtor's business or, in the alternative, conditioning the Debtor's use of cash on the posting of a \$2 million letter of credit in favor of unsecured creditors. The Unofficial Shareholders' Committee filed a Memorandum in Support of the Creditors' Committee's request for appointment of a chapter 11 trustee.

4. On July 14, 2003, the United States Trustee filed a Motion (the "UST Motion") seeking an order converting the case to a chapter 7 liquidation, or in the alternative, dismissing the case. The Unofficial Shareholders' Committee filed an Objection to the UST's request to convert the case. Both the Creditors' Committee Motion and the UST Motion are scheduled for hearing before the Court on August 21, 2003.

5. Although the UST has not specifically declined to appoint an Official Equity Holders' Committee, in light of the nature of the UST Motion, it appears that the UST will not seek appointment of an Official Equity Holders' Committee of its own

accord. Accordingly, the Unofficial Shareholders' Committee has filed the Motion concurrently herewith, in which it seeks appointment of an Official Equity Holders' Committee pursuant to 11 U.S.C. §1102.

**REQUESTED RELIEF**

6. By this Request, the Unofficial Shareholders' Committee seeks a hearing on this Motion on August 21, 2003 at 10:30 a.m. In light of the fact that the Creditors' Committee and UST Motions are set for hearing on such date and time, the Unofficial Shareholders' Committee submits that a hearing on the Motion on that same date would afford the parties the most sensible, efficient and economical means of presenting the various pending motions to the Court.

**NOTICE**

7. The Motion and this Request have been served upon the Debtor, counsel for the Debtor, the UST and counsel for the Creditors' Committee by overnight courier. In lieu of service of a notice of hearing on the Motion, the Unofficial Shareholders' Committee will serve a copy of the order<sup>1</sup> granting this Request on the Debtor, counsel for the Debtor, the UST and counsel for the Creditors' Committee by overnight courier or other expedited means. The Unofficial Shareholders' Committee submits that such expedited service and notice is adequate under the circumstances and that no further service or notice is required.

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<sup>1</sup> A proposed form of Order granting this Request is attached hereto as Exhibit A and is also being submitted on disk for the Court's convenience.

WHEREFORE, the Unofficial Shareholders' Committee respectfully requests the Court to enter an order scheduling an expedited hearing on the Motion for August 21, 2003 at 10:30 a.m.

Dated: Cleveland, Ohio  
August 12, 2003

Respectfully submitted,

/s/ Stuart A. Laven, Jr.  
William E. Schonberg (OBR #0025140)  
Stuart A. Laven, Jr. (OBR #0071110)  
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*Attorneys for the Unofficial Shareholders'  
Committee*

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing *Request for Expedited Hearing on Motion of the Unofficial Committee of Shareholders Pursuant to 11 U.S.C. §1102(a)(2) for Appointment of an Official Committee of Equity Security Holders* was served upon all of the parties listed below by overnight courier this 12th day of August, 2003:

Cavanagh, Terese A.  
Assistant United States Trustee  
560 Federal Plaza, Suite 560  
Long Island Federal Courthouse  
Central Islip, NY 11722

Innapharma, Inc.  
200 Broadhollow Rd.  
Suite 401  
Melville, NY 11747

Innapharma, Inc.  
1 Maynard Drive  
Suite 205  
Park Ridge, NJ 07656

Silverman Perlstein & Acampora  
Attn: Gerald R. Luckman  
100 Jericho Quadrangle Suite 300  
Jericho, NY 11753

United States Trustee  
Attn: Carolyn S. Schwartz  
33 Whitehall Street, Suite 2100  
New York, NY 10004

Nixon & Peabody  
Attn: Douglas E. Spelfogel  
990 Stewart Avenue  
Garden City, NY 15130

/s/ Stuart A. Laven, Jr.

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

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In re : Chapter 11  
INNAPHARMA, INC., : Case No. 8-03-82550  
Debtor. :  
: Judge: STAN BERNSTEIN  
-----X

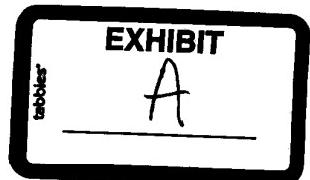
**ORDER (I) GRANTING REQUEST FOR EXPEDITED HEARING ON MOTION  
OF THE UNOFFICIAL COMMITTEE OF SHAREHOLDERS PURSUANT TO  
11 U.S.C. § 1102(A)(2) FOR APPOINTMENT OF AN OFFICIAL  
COMMITTEE OF EQUITY SECURITY HOLDERS AND  
(II) NOTICE OF SUCH EXPEDITED HEARING**

Came on for consideration this day, the Request for Expedited Hearing (the "Request") on Motion (the "Motion") of the Unofficial Committee of Shareholders . . . for Appointment of an Official Committee of Equity Security Holders. And the Court having reviewed the Request, for good cause shown, it is hereby

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Request be, and is hereby granted.
2. The expedited hearing shall take place on **August 21, 2003 at 10:30 a.m.**
3. Any objections to the Motion must be filed with the Court before **August 21, 2003 at 10:30 a.m.**

and served on counsel for the Unofficial Shareholders' Committee so as to be received on or before the expedited hearing on the Motion. If no objections are so filed and served, the Court may grant the relief requested in the Motion without commencing a hearing.



3. Service of this Order by overnight courier, facsimile transmission, or other expedited means on the Office of the United States Trustee, counsel for the Debtor, and counsel for the Official Committee of Unsecured Creditors shall constitute adequate notice of the expedited hearing under applicable law and Rules of the Court.

Dated: Central Islip, New York  
August \_\_, 2003

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HONORABLE STAN BERNSTEIN  
United States Bankruptcy Judge

**ORDER SUBMITTED BY:**

/s/ Stuart A. Laven, Jr.  
William E. Schonberg (OBR #0025140)  
Stuart A. Laven, Jr. (OBR #0071110)  
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*Attorneys for the Unofficial Shareholders' Committee*